

Chairman Vap called the regularly scheduled meeting to order at 10:05 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, Landis and Vap present.

GENERAL ADMINISTRATION

Notice was duly published May 4, 2004, on Page 7 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held May 11, 2004, at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

Tuesday, May 11, 2004:

GW-93 11:30	Commission Hearing Room, Lincoln. Telephonic Hearing The Keene Coop Grain & Supply Co., Axtell, seeking authority for a special storage rate. Commissioner Vap chairing.
NUSF-4 1:30	Commission Hearing Room, Lincoln. The Commission, on its own motion, seeking to determine the level of the fund necessary to carry out the Nebraska Telecommunications Universal Service Fund Act to be effective fiscal year beginning July 1, 2004. Commissioner Landis chairing.
B-1557, Supp. 1 3:00	Commission Hearing Room, Lincoln. Hope Transportation, Inc., Omaha, seeking to extend its authority as a common carrier of passengers by van in open class service between points in Cass, Otoe, Lancaster coun- ties and between points in said counties on the one hand, and, on the other hand, points in Nebraska over irregular routes. To include the transportation of Health and Human Services and its subcontractors thereof. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized. Commissioner Boyle chairing.

Wednesday, May 12, 2004:

B-1637 10:00	Commission Hearing Room, Lincoln. Patrick J. Oakes, dba CEO Limousine Company, Lincoln, seeking authority as a common carrier of passengers by limousine between points in Lancaster County and between points in Lancaster County on the one hand, and, on the other hand, points within a 75-mile radius of Lancaster County over irregular routes. Commissioner Landis chairing.
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GENERAL ADMINISTRATION (Cont.)

2:30 Video Meeting, Commission Library, Lincoln; Alliance Learning Center, Room 123, 1750 Sweetwater Street, Alliance; McKinley Education Center, Room 1, 301 West F Street, North Platte; McMillen Hall, Room 208, 1205 East 3rd Street, McCook; and Western Northeast Community College, Room 122, 371 College Drive, Sidney. Nebraska Internet Enhancement Fund Advisory Board Meeting.

COMMUNICATIONS DEPARTMENT

C-2777 In the Matter of the Commission, on its own motion, seeking
PI-62 to investigate the impact of telecommunications carrier bankruptcies: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to enter an order closing the docket. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-2910 In the Matter of Lincoln Electric System, Lincoln, seeking contract carrier permit: Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson to enter an order granting the Motion to Withdraw of its Petition for Formal Intervention received from Cox Nebraska Telcom, LLC. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-2932 In the Matter of NPCR, Inc., d/b/a Nextel Partners, Eden Prairie, Minnesota, seeking designation as an eligible telecommunications carrier that may receive universal service support: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson to enter an order denying the motion for rehearing. Motion passed with Commissioners Rod Johnson, Frank Landis, Jerry Vap voting AYE, and Commissioners Anne Boyle and Lowell Johnson voting NAY. Commissioners Boyle and Lowell Johnson will write a dissenting opinion.

C-3049 In the Matter of the Commission, on its own motion, seeking to conduct an investigation into possible solutions for extending the life of area codes 308 and 402: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson to enter an order seeking parties to file workshop issues. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-3095 In the Matter of Qwest Corporation, Denver, Colorado, seeking arbitration to resolve issues related to interconnection rates, terms, conditions and related arrangements with AT&T Communications of the Midwest, Inc., and TCG Omaha, Denver, Colorado: Gene Hand informed the Commission that the arbitrator's decision had been received. The parties will have until June 4, 2004, to file a conforming arbitrated interconnection agreement.

COMMUNICATIONS DEPARTMENT (Cont.)

C-3181 In the Matter of NUI Telecom, Inc., Bedminster, New Jersey, seeking to change the name of its operating authority to BCN Telecom, Inc.: Motion made by Commissioner Rod Johnson, seconded by Commissioner Lowell Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-3201 In the Matter of Qwest Communications Corporation, Denver, Colorado, seeking authority to operate as a competitive local exchange carrier of telecommunications services within the State of Nebraska: Gene Hand informed the Commission that an application had been received from Qwest Communications Corporation for competitive local exchange carrier authority.

C-3202 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Modification to Exhibit B of Qwest's Statement of Generally Available Terms (SGAT), filed pursuant to section 252(f) of the 1996 Telecommunications Act: Gene Hand informed the Commission that an amended SGAT had been received that reflects agreements between Qwest and CLECs arrived at through the long-term PID administration meetings.

C-3179 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Agreement for Terms and Conditions for Interconnection Unbundled Network Elements, Ancillary Services, and Resale of Telecommunications Services with Bullseye Telecom, Inc., Oak Park, Michigan: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-3180 In the Matter of Qwest Corporation, Denver, Colorado, seeking approval of its Qwest DSL (with discount) provided with UNE-P Amendment with New Access Communications, LLC, Minneapolis, Minnesota, previously granted in Application C-2563: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

C-3182 In the Matter of Alltel Communications, Inc., Little Rock, Arkansas, seeking approval of its Wireless Interconnection and Reciprocal Compensation Agreement with Great Plains Communications, Inc., Blair: Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

COMMUNICATIONS DEPARTMENT (Cont.)

E-2040 In the Matter of Midwest Electric Cooperative Corp., Grant, seeking authority to construct, operate and maintain an electric transmission line in Lincoln County: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

E-2041 In the Matter of Norris Public Power District, Beatrice,
E-2042 seeking authority to construct, operate and maintain electric transmission lines in Lancaster County: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to enter the orders granting the applications. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Gene Hand informed the Commission that a notice of rate increase had been received from Hamilton Telephone Company. There will be a deadline of June 18, 2004, to receive petitions from customers. Informational public meetings will be held at 7:00 p.m. at the following locations:

May 25 Community Hall, 405 Marquis Avenue, Marquette;
May 26 Bremer Community Center, 1604 L Street, Aurora; and,
May 27 Town Hall, 105 West Plum, Doniphan.

Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis to enter a resolution recognizing the accomplishments of Congressman Lee Terry and his appointment to the post of Whip for the US House of Representatives Energy and Commerce Subcommittee on Telecommunications and the Internet. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

John Burvainis provided a report on Intercarrier Compensation.

Gene Hand informed the Commission that the Self-Help for Hard of Hearing Convention will be held at the Qwest Center/Hilton Hotel, Omaha, on June 10-13, 2004.

Gene Hand informed the Commission that Hamilton Telecommunications has been awarded the District of Columbia contract to provide relay service to the deaf, heard of hearing and speech disabled.

Gene Hand informed the Commission that a letter had been received regarding LNP from K. Dane Snowden, the Chief of the Consumer and Governmental Affairs Bureau of the FCC.

COMMUNICATIONS DEPARTMENT (Cont.)

Gene Hand informed the Commission that a request had been received from Qwest to be granted an exception to the existing local number portability guidelines. The staff discussed the draft response to Qwest, which was then authorized without objection.

UNIVERSAL SERVICE FUND

NUSF-32 In the Matter of the Commission, on its own motion, seeking to conduct an inquiry into the failure of various companies to comply with Commission Orders and, at its own discretion, impose administrative fines against the named defendants: Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to extend the timeline for Lightyear's audit, to be due 14 days after emerging from bankruptcy and to set a hearing for June 8, 2004, at 1:30 p.m. in the Commission Hearing Room, Lincoln, for Show Cause against Excel and Vartec for failure to submit a remittance audit. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Jeff Pursley informed the Commission that the department is in the process of converting the NUSF remittance files to an upgraded system.

Jeff Pursley informed the Commission that the NUSF payment that should have been made to carriers on April 30, 2004, was not made until May 3, 2004, due to problems with the NIS accounting system.

NATURAL GAS DEPARTMENT

In the Matter of the Southern Star Central Gas Pipeline Rate Case filed with the Federal Energy Regulatory Commission (FERC): Motion made by Commissioner Rod Johnson, seconded by Commissioner Frank Landis to file an intervention with FERC. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

NG-0019 In the Matter of the Petition for Declaratory Ruling of Metropolitan Utilities District of Omaha (M.U.D.), seeking a determination that Neb. Rev. Stat. §§ 57-1302 through 57-1307 and Neb. Rev. Stat. § 66-1849 and Neb. Admin. Code, Title 291, Chapter 9, Sections 003.01 through 003.11 and Section 009.01 do not apply to a natural gas supply and transportation arrangement between M.U.D. and Nebraska Public Power District (N.P.P.D.): Motion made by Commissioner Frank Landis, seconded by Commissioner Lowell Johnson to enter an order finding that Neb. Rev. Stat. §§ 57-1302 through 57-1307 and Neb. Rev. Stat. § 66-1849 and Neb. Admin. Code, Title 291, Chapter 9, Sections 003.01 through 003.11 and Section 009.01 apply to the arrangement proposed in the application. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT (Cont.)

NG-0023 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking a waiver of notice and publication and to implement supply cost adjustment rate schedules applicable to Nebraska Rate Schedules CGS (Choice Gas Service), ACGS-NSS (Agricultural Choice Gas Service Non-Seasonal Service), and ACGS-SS) Agricultural Choice Gas Service Seasonal Service: Laura Demman informed the Commission that Kinder Morgan's proposed rate schedule was received May 3, 2004, but the company intended for the filing to be received April 30, 2004, which was a state holiday. She further stated that the company asks that the rate changes take effect June 1, 2004.

NG-0020/ In the Matter of the Commission, on its own motion, seeking
PI-80 to evaluate a proposed settlement agreement among the State of Nebraska, acting by and through the Governor's Policy Research Office; the Nebraska Public Service Commission; and Kinder Morgan, Inc., a Kansas corporation: Laura Demman advised the Commission that staff accountants John Burvainis and Steve Stovall are scheduled to travel to Lakewood, Colorado, to review Kinder Morgan's documented litigation costs on May 24 and 25, 2004.

RULES AND REGULATIONS

Andy Pollock reported on the status of grain warehouse and manufactured housing rules and regulations. Shana Knutson reported on the status of transportation rules and regulations.

GRAIN WAREHOUSE DEPARTMENT

The following shortages were reported:

GW-279 Wheat and oats at Farmers Cooperative, Dorchester.
GW-1119 Oats at Trotter, Incorporated, Arcadia.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Ann Boyle to enter an order to grant a Grain Dealer License, subject to the fulfillment of all statutory requirements for the license period ending June 30, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

SECURITY

GD-2135 Wilhelm Grain, Inc., Humboldt \$ 41,000

Commissioner Landis left the Commission Hearing Room.

John Fecht updated the Commission on the status of criminal background checks and reported that we are still waiting for three reports.

GRAIN WAREHOUSE DEPARTMENT (Cont.)

John Fecht updated the Commission on the status of filing of financial statements and insurance reports.

TRANSPORTATION DEPARTMENT

Commissioner Landis returned to the Commission Hearing Room.

B-1548 In the Matter of Omaha Limousine, Co., LLC, dba Omaha Limousine, seeking authority as a common carrier of passengers in limousine service by van, in Douglas, Sarpy, Washington, and Lancaster counties over irregular routes: Commissioner Landis returned to the Commission Hearing Room. Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to grant the application as amended. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Present Not Voting.

B-1637 In the Matter of Patrick J. Oakes, dba CEO Limousine, Lincoln, seeking authority as a common carrier in Nebraska intrastate commerce by luxury or stretch limousine between points in Lancaster County and between points in Lancaster County, on the one hand, and, on the other hand, points within a 75-mile radius of Lancaster County: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis to dismiss the application without prejudice. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

B-1621 In the Matter of Phoenix Counseling, Inc., dba Phoenix Transportation Services, Omaha, seeking authority as a common carrier of passengers in open class by van between points in Douglas, Cass, Sarpy, and Washington over irregular routes. To include the transportation of Health and Human Services clients and their subcontractors thereof. RESTRICTION: The transportation of railroad train crews and their baggage is not authorized: A video hearing was scheduled for June 30, 2004, at 10:00 a.m. in the Commission Library, Lincoln, and Nebraska State Office Building, Room 207, 2nd Floor, 1313 Farnam Street, Omaha. Commissioner Boyle will preside as Hearing Officer.

Rate Division

TR-132 In the Matter of Safeway Cabs, Inc., Omaha, seeking to amend its taxi rates: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis to grant the application as amended. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

TRANSPORTATION DEPARTMENT (Cont.)

TR-135 In the Matter of Yellow Cab and Capital Cab, dba Servant Cab, LLC, Lincoln, seeking an adjustment of the fuel surcharge: Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson to grant the application on an emergency basis. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Household Goods Tariff 7-F: The fuel surcharge was increased to 26 cents per mile and the taxi surcharge to 45 cents per trip.

GENERAL ADMINISTRATION

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to approve the following invoices. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Dalke, Smith, Nelson & Tessendorf	\$	631.00
Hamilton Telecommunications		79,861.21

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Anne Boyle to approve Commission minutes for the month of April, 2004. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Upon agreement of all Commissioners, authorization was granted for Mark Luttich to attend the Nebraska Manufacturing Housing Association Annual Meeting to be held on May 13, 2004, in Council Bluffs, Iowa, with expenses to be paid from the Modular Housing Unit Program. Mark will be a speaker at the conference.

Upon agreement of all Commissioners, authorization was granted for Mark Breiner to attend the National Conference of State Transportation Specialists (NCSTS) to be held in Denver, Colorado, from June 13-16, 2004.

Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to grant authorization for Gene Hand to attend the Mid-America Regulatory Conference to be held in Madison, Wisconsin, from June 12-16, 2004, and for the Commission to pay for registration only. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, and Commissioner Frank Landis voting NAY.

GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Frank Landis to surplus 4 Dickey-John Moisture Meters, Model 2100, serial numbers 30471, 30521, 30525 and 32625. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

The Commission approved the following budget matters:

Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle to approve an Independent Contractor Agreement between Ted Burkey and the Public Service Commission for recreational vehicle plan review. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Motion made by Commissioner Rod Johnson, seconded by Commissioner Anne Boyle to approve an Independent Contractor Agreement between Ted Burkey and the Public Service Commission for recreational vehicle factory inspections in the states of Indiana, Michigan, Kansas and Ohio. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to go into closed session to discuss personnel matters. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Frank Landis, Jerry Vap voting AYE. The Commission went into closed session at 11:08 a.m.

Commissioner Landis left the Commission Hearing Room near the end of closed session.

Motion made by Commissioner Lowell Johnson, seconded by Commissioner Rod Johnson to return to open session. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting. The Commission returned to open session at 11:34 a.m.

Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to offer the E911 Coordinator position to Lynn Marshall. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to remove a Communications Department employee from probation. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Anne Boyle, seconded by Commissioner Lowell Johnson to remove a Transportation Department employee from probation. Motion passed with Commissioners Anne Boyle, Lowell Johnson, Rod Johnson, Jerry Vap voting AYE, Commissioner Frank Landis Absent Not Voting.

The meeting adjourned at 11:34 a.m. with Commissioners Boyle, Lowell Johnson, Rod Johnson, and Vap present and Commissioner Landis excused. The next regularly scheduled meeting will be held on May 18, 2004, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on May 17, 2004.

Chairman

Executive Director